



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: March 24, 2023  
MOAHR Docket No.: 23-000987  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

### **HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on March 23, 2023, from Lansing, Michigan. The Petitioner was represented by himself. The Department of Health and Human Services (Department) was represented by Amber Gibson, Hearing Facilitator. Department Exhibit 1, pp. 1-24 was received and admitted.

### **ISSUE**

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was a recipient of FAP benefits.
2. In January 2023, Petitioner FAP benefits were reviewed pursuant to a redetermination.
3. On February 7, 2023, Notice of Case Action was sent to Petitioner informing him that his FAP benefit would be reduced to \$195 per month effective March 1, 2023, and ongoing.
4. On February 8, 2023, Petitioner requested hearing disputing the reduction of FAP benefits.
5. Petitioner and his wife receive \$1813 per month in social security benefits.

6. Petitioner has housing expense of \$490 per month and is responsible for utilities.
7. Petitioner was given medical deduction of \$165 based on his verified ongoing medical expense of \$111.20 per month.
8. At hearing Petitioner did not dispute any of the income and expense amounts utilized by the Department in calculating his benefit.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

### **MEDICAL EXPENSES**

#### **Application and Redetermina tion**

Consider **only** the medical expenses of SDV persons in the eligible group or SDV persons disqualified for certain reasons; see Expenses for Disqualified or Ineligible Persons in this item. Estimate an SDV person's medical expenses for the benefit period. Base the estimate on all the following:

Verified allowable medical expenses.

Available information about the SDV member's medical condition and health insurance.

Changes that can reasonably be anticipated to occur during the benefit period.

### ***Standard Medical Deduction (SMD)***

An SDV group that has a verified one-time or ongoing medical expense(s) of more than \$35 for an SDV person(s) will receive the SMD. The SMD is \$165. If the group has actual medical expenses which are more than the SMD, they have the option to verify their actual expenses instead of receiving the SMD.

**Example 1:** Mickey has monthly ongoing medical expense totaling \$36 dollars and verifies the medical expense. After subtracting \$35, he has a remaining balance of \$1. He will receive the SMD in his budget.

**Example 2:** Corbin has monthly medical expenses of \$235 and verifies the medical expenses. His expenses exceed the SMD, so he would receive a higher medical expense of \$200. ( $\$235 - \$35$ )

**Example 3:** Using the above example, Corbin only returns verifications in the amount of \$50. Since the verified expenses are less than the SMD, he will receive the SMD in his budget.

### ***During the Benefit Period***

A FAP group is not required to but may voluntarily report changes during the benefit period. Process changes during the benefit period **only** if they are one of the following:

Voluntarily reported and verified during the benefit period such as expenses reported and verified for MA deductible.

Reported by another source and there is sufficient information and verification to determine the allowable amount without contacting the FAP group.

### ***One-Time-Only Expenses***

Groups that do not have a 24-month benefit period may choose to budget a one-time-only medical expense for one month or average it over the balance of the benefit period. Bridges will allow the expense in the first benefit month the change can affect.

Groups that have 24-month benefit periods must be given the following options for one-time-only medical expenses billed or due within the first 12 months of the benefit period:

1. Budget it for one month.

Average it over the remainder of the first 12 months of the benefit period.

Average it over the remainder of the 24-month benefit period.

Sally has a \$1,200 emergency room bill in 11/08. It is not covered by Medicaid, or any medical insurance and she received the first bill for this service in 1/09. Her FAP benefit period is 10/1/08 through 9/30/10. She can elect to use:

The entire \$1,200 deduction to affect 2/09 benefits. This would probably increase her FAP to the maximum amount for that one month.

\$150 per month (\$1,200 bill divided by 8 months remaining in the first 12 months of her benefit period) to affect 2/09 through 9/09. This would probably increase her FAP benefits by \$50 per month for eight months.

\$60 per month (\$1,200 bill divided by 20 months remaining in the benefit period) to affect 2/09 through 9/10. This would probably increase her FAP benefits by \$20 for 20 months. (If she were within \$20 of the maximum, this option would benefit her the most.) BEM 554

In this case, Petitioner was a recipient of FAP benefits. In January 2023, Petitioner FAP benefits were reviewed pursuant to a redetermination. On February 7, 2023, Notice of Case Action was sent to Petitioner informing him that his FAP benefit would be reduced to \$195 per month effective March 1, 2023, and ongoing. On February 8, 2023, Petitioner requested hearing disputing the reduction of FAP benefits. Petitioner and his wife receive \$1813 per month in social security benefits. Petitioner has housing expense of \$490 per month and is responsible for utilities. Petitioner was given medical deduction of \$165 based on his verified ongoing household medical expense of \$111.20 per month. Petitioner's prescription costs and medical expenses were averaged over the previous 12 months, that was consistent with Department policy. BEM 554

At hearing, Petitioner did not dispute any of the income and expense amounts utilized by the Department in calculating his benefit. After expense budgeting, Petitioner has \$1,068 in net income. For a group size of 2 the benefit amount for a group with \$1068 in net income is entitled to \$195 per month. This was the amount calculated by the Department and that calculation was proper and correct and consistent with Department policy. RFT 260 (October 2022)


Petitioner's benefit was reduced because medical expenses that were more than 1 year old were removed from the budgeting and Petitioner and his wife had an increase in their social security benefit. If Petitioner has an increase in medical expense or other expense, he can submit proof of that increase and the Department should review his budgeting.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it determined Petitioner's FAP benefit amount.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

AM/nr

  
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Aaron McClintic  
Administrative Law Judge

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**Via-Electronic Mail :**

**DHHS**  
Amber Gibson  
Ingham County DHHS  
5303 South Cedar  
Lansing, MI 48911  
**MDHHS-Ingham-  
Hearings@michigan.gov**

**Interested Parties**  
Ingham County DHHS  
BSC2  
M. Holden  
D. Sweeney  
MOAHR

**Via-First Class Mail :**

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED], MI [REDACTED]  
[REDACTED]